

**THE COMMON COUNCIL OF THE CITY OF NEW ALBANY,
INDIANA HELD A BUDGET WORK SESSION IN THE
CITY/COUNTY BUILDING ON THURSDAY JUNE 21, 2007 AT 6:00
P.M.**

MEMBERS PRESENT: OTHERS: : Mr. Coffey, Mr. Schmidt, Mr. Price, Mrs. Crump, Mr. Gahan, Mr. Zurschmiede and President Kochert. Councilmember's Blevins and Messer were not available.

Mr. Kochert called the meeting to order at 6:00 p.m.

Mrs. Garry went over the 1782 Notice Notes Report Pay 2007 and discussed which funds were cut and gave her opinion as to how it would best be cut from the 16 departments in the general fund. She gave two different options to make cuts from the general fund and went over each option with the Council. She stated that the other cut they wanted to make was from the MVH Fund and did an additional appropriation for \$800,000 from EDIT which they were going to buy a new truck from but she thinks they will have to give up the truck.

Mr. Coffey suggested that they cut unnecessary positions such as the Deputy Mayor and the Human Resources position. He stated that he wasn't aware that there was that much left in the rainy day fund or he wouldn't have appropriated money from EDIT for paving.

Mr. Price stated that they need to start looking into the future and realize that the Riverboat money is not always going to be there and they need to start working out an alternate plan now.

Mr. Schmidt stated that he agreed with Option 1.

Mr. Price stated that agreed with Option 1 as well.

Mrs. Crump stated that she leaned toward Option 2 and then they could start chiseling away at the next year's budget.

Mr. Gahan asked if she saw anything for 2008 that may come back and bite them if they use the Rainy Day Fund.

Mrs. Garry stated that she didn't see anything and that there would be an additional \$100,000 because there won't be an election next year.

Mr. Gahan asked about specific items that were being cut in Option 1.

Mr. Coffey asked if there are any departments that have any open positions that they can use the money such as the Arson Investigator position or other positions that have been left open in the police and Fire department.

There was a lengthy discussion regarding the funds in the salary line item and open positions in several departments and what affect that has on the budget.

Mr. Zurschmiede stated that because he was not here last year he feels uncomfortable with the possible cuts for individual departments.

Mr. Gahan asked if they use Option 2 and at the end of the year we find that all the money was used what happens to the remainder of the money.

Mrs. Garry stated that what isn't used will remain in the Rainy Day Fund.

There was a lengthy discussion regarding how the budgets have worked

Mr. Zurschmiede asked if they move the money out of the Board of Works is that coming from their budget.

Mrs. Garry said that it was not coming out of their budget that she will write out an appropriation for the money and if it isn't used it will just stay in the rainy day fund. She explained that after December 31st the appropriation dies but the money stays where it is at.

Mr. Zurschmiede asked if the \$1.9M in the Rainy Day fund was kept in a checking account.

Mrs. Garry stated that it is in the same kinds of city account that all the funds are in.

Mr. Zurschmiede asked what kind of interest this is drawing and asked Mrs. Garry to check on that and get back with them about it.

Mrs. Garry said that she would.

Mr. Zurschmiede stated that common sense tells him that the best way to go about this is to cut the Fire and Police Department but he doesn't believe that can be done but he doesn't know why.

Mr. Price said the over-time is what is killing them.

Mr. Zurschmiede said if they would hire some people it would help.

Mr. Kochert said that the problem is that they aren't hiring the right people.

Mr. Price asked for Mr. Kochert's opinion.

Mr. Kochert stated for 2007 they can't cut out positions and he suggested that they move the departments into the Rainy Day and take care of the overage in the 2008 budget.

Mrs. Garry explained that they could take the money from a different fund other than Board of Works, and that what she has on the sheet is just a suggestion.

Mr. Kochert asked if they could choose line items where this money could be appropriated.

Mrs. Garry said yes

Mr. Kochert said then he would vote for option 2

Mr. Kochert asked for a show of hands for those in favor of option 1,

Option 2 – Coffey, Schmidt, Crump, Gahan, Zurschmiede, Kochert

The board set their first budget hearing date for the 2008 budget for Saturday, July 14, 2007 at 9:00 a.m.

There being no further business the meeting adjourned at 6:45 p.m.

Larry Kochert, President
Common Council, City of New Albany

ATTEST:_____
Marcey J. Wisman, City Clerk